Unit 201: Employment and employability in the building services engineering sector

# Worksheet 7: Employment status and rises and falls in demand (tutor)

**Task 1**: Complete the questions on tax and self-employment.

1. Write down the potential consequences of not keeping accurate records of financial transactions, expenses and income.

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| Answer: Penalties, legal issues, missed tax deductions, inaccurate financial statements, difficulties in securing funding and problems during audits by HM Revenue & Customs (HMRC) and other regulatory bodies. |

1. Create a list of the benefits that businesses can enjoy by keeping accurate records.

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| Answer: Keeping accurate records allows a business to claim eligible tax deductions, prepare financial statements, facilitate audits and monitor cash flow . Businesses can plan ahead knowing that accurate records and statements allow for confident planning for business. |

1. Describe the importance of record-keeping for construction businesses and the specific tax regulations they need to comply with such as the Construction Industry Scheme (CIS).

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| Construction businesses must keep detailed records to comply with specific tax regulations such as the Construction Industry Scheme (CIS), which requires them to deduct tax from subcontractors' payments and submit monthly returns to HMRC. Proper record-keeping helps construction businesses to comply with these regulations and avoid costly mistakes. |

**Task 2**: Rising demand and the BSE industry

Fill the blanks using the words provided below.

Rises in demand in the UK BSE industry can lead to an increase in demand for workers, which can lead to greater earning potential for those in the industry. This increase in demand for workers can also lead to a shortage of skilled labour, resulting in a lack of potential due to the amount of work available. In turn, this shortage can lead to firms paying higher wages to attract and retain employees, further increasing earning potential for workers. Furthermore, increased demand often means that firms are more willing to invest in their workers through training and continuing professional development (CPD) opportunities. This investment in workers can help to upskill them for more complex or higher-paying projects, which can increase their earning potential in the long term. However, if firms struggle to keep up with demand, they may need to cut corners or reduce their quality standards, which can impact the quality of work and safety of workers. Additionally, the increased workload and pressure can lead to higher stress levels and burnout for workers, which can have negative impacts on their health and well-being.

**Task 3**: Answer the following questions based on the information above and what you have learnt in class.

1. What can lead to a shortage of skilled labour in the UK construction industry?

Answer: A rise in demand for construction services.

1. How do firms respond to a shortage of skilled labour in the UK construction industry?

Answer: Firms may pay higher wages to attract and retain employees.

1. How does increased demand impact investment in workers in the UK construction industry?

Answer: Firms are more willing to invest in their workers through training and continuing professional development (CPD) opportunities in the UK BSE industry.

1. What are the potential negative impacts of increased workload and pressure on workers in the UK construction industry?

Answer: Higher stress levels and burnout, which can have negative impacts on their health and well-being.

**Task 4**: Recession and the construction industry

Complete the text below using the words provided.

During times of recession or economic downturn, the UK BSE industry is often one of the hardest hit sectors, with the loss of work being a common issue. This results in reduced earning potential for workers as there may be fewer construction projects available, leading to a drop in demand for workers. With fewer projects, construction firms may also need to reduce their prices to remain competitive, which can result in lower profit margins and reduced wages and workforce for workers. In addition, during times of recession, construction firms may need to reduce their workforce, which can lead to job losses and further reduce the earning potential for workers who are made redundant. Another issue during a recession is the lack of investment in training and continuing professional development (CPD) opportunities for workers. This can impact the earning potential of workers as they may not have the necessary skills or technology required to work on more complex or specialist projects. Furthermore, during times of recession, there may be a lack of demand in new technology and equipment, which can also impact the earning potential of workers who may need to adapt to new ways of working.

**Task 5**: Answer the following questions based on the information above and what you have learnt in class.

1. What is the impact of a recession on the earning potential of workers in the UK construction industry?

Answer: During a recession, there is a reduction in construction projects available, resulting in reduced demand for workers and lower earning potential. Construction firms may also need to reduce their prices to remain competitive, leading to lower profit margins and reduced wages for workers.

1. How does a recession impact the workforce of the UK construction industry?

Answer: During a recession, construction firms may need to reduce their workforce, resulting in job losses and further reduction in the earning potential of workers who are made redundant.

1. What is the impact of a lack of investment in training and continuing professional development (CPD) opportunities for workers during a recession?

Answer: A lack of investment can impact their earning potential as they may not have the necessary skills or technology required to work on more complex or specialist projects.

1. How can a lack of demand in new technology and equipment impact the earning potential of workers during a recession?

Answer: It can impact the earning potential of workers who may need to adapt to new ways of working or may not have access to the latest tools and equipment required for certain projects.

**Task 6**: Using the link below, answer the following questions:

[wales.pdf (citb.co.uk)](https://www.citb.co.uk/media/n15bpq0n/wales.pdf)

1. What is the total forecasted work output growth in Wales and which two areas are expected to grow the most?

Answer: 4.1% 2020–2025. The two largest projected growth areas are the development of private housing (6.1% growth) and infrastructure (5%).

1. At the end of 2020, the construction workforce in Wales was 114,400 strong. How much is the workforce in Wales expected to have grown by the end of 2025?

Answer: By 4,200 by the end of 2025 compared to 2020 figures.

1. Use the information in the document to identify which BSE trade needs the greatest recruitment to meet expected requirements by 2025.

Answer: Electricians. The industry will need to recruit an extra 350 (4.9%) by the end of 2025.